

For information regarding a licensed supplier in the distribution of charitable gaming equipment please see 86 Ill. Adm. Code 435.130. (This is a GIL.)

October 12, 2005

Dear Xxxxx:

This letter is in response to your letter dated June 5, 2005, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

We contacted the Office of Bingo & Charitable Games and they referred us to you for a ruling on our request.

We are Party Planners in CITY and we have had numerous requests to supply a Monte Carlo setting or a casino setting as part of entertainment at some of either the corporate shows or private parties we do for our clients. These events are for entertainment only and no actual monies are exchanged in any way. PERSON, in the Office of Bingo & Charitable Games informed us that she saw nothing that violates Illinois law in what we are proposing, but to send a formal request to the Legal Department for a ruling.

I also contacted one of the licensed Suppliers and they informed me that I needed a license to rent equipment from them. Upon reading the Charitable games law I find that my request does not fall in any way under the requirements of this law. These events are not (for profit) nor are they (not for profit) but are for entertainment only. The chips the people would play with would be given to the guests at no cost and would have no redeeming value.

The people that work at the tables would be hourly employees or independent contractors of mine and are no different than any waitresses, bartenders or any other entertainers I hire to entertain my clients.

As far as the equipment goes I would be willing to buy my own equipment that would be used at these events as part of the entertainment fees that I charge my clients. Under no circumstances would they be used in any Charitable Games.

There are many companies that do the same thing throughout the country and I would like the same opportunity. You can get more info by going to ABC at their website.

Please give me a timely response to this ruling request as I have several clients waiting for my approval to these Monte Carlo Style events

DEPARTMENT'S RESPONSE:

A supplier of charitable gaming equipment licensed by the Illinois Department of Revenue must follow the rules and regulations established under the Charitable Games Act. The Department's rules are formulated to assure the general public that charitable gaming in Illinois will be performed in a manner that is consistent to allow for a fair and honest operation for both the charitable organizations and the players. For information regarding a licensed supplier in the distribution of charitable gaming equipment please see 86 Ill. Adm. Code 435.130(b)(3).

The Department's regulation regarding a charitable games supplier licensed under the Act is clear, "[n]o supplier shall sell, lease, lend or distribute any item of charitable games equipment to any organization or entity not holding a license to conduct charitable games. To ensure that the organization to whom equipment is sold, leased, lent, or distributed is licensed for charitable gaming, the supplier shall obtain from the organization and retain among his or her books and records a copy of the organization's license showing the license number, expiration date and the event date for which the equipment was sold, leased, lent, or distributed." See 86 Ill. Adm. Code 435.130(b)(3).

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

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